REMARKS

Claims 1-23 and 25-27 are all the claims pending in the application. By this Amendment, Applicant editorially amends claims 3, 4, 11, 12, 19, and 20 for reasons of precision of language and consistency. In addition, Applicant adds claims 28 and 29, which are clearly supported throughout the specification.

I. Summary of the Office Action

Claims 3, 4, 11, 12, 19, and 20 are rejected under 35 U.S.C. § 112, second paragraph, claims 1-5, 7-13, 15-21, and 23 are rejected under 35 U.S.C. § 102, and claims 6, 14, 22, and 25-27 are rejected under 35 U.S.C. § 103.

II. Claim Rejections under 35 U.S.C. § 112, second paragraph

The Examiner rejected claim 3, 4, 11, 12, 19, and 20 under 35 U.S.C. § 112, second paragraph. Applicant respectfully thanks the Examiner for pointing out, with particularity, the aspects of the claim thought to be indefinite. Applicant respectfully requests the Examiner to withdraw this rejection in view of the self-explanatory claim amendment being made herein.

III. Claim rejections under 35 U.S.C. § 102

The Examiner rejected claims 1-5, 7-13, 15-21, and 23 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 5,134,496 to Schwab et al. (hereinafter "Schwab"). Applicant respectfully traverses these grounds of rejection in view of the following comments.

Of these rejected claims, only claims 1, 3, 5, 9, 11, 13, 17, 19, and 21 are independent. Claims 1 and 9 recite, in some variation, contents comprising digital data and setting an end timing of said embedded digital watermark in said contents at said determined timing. Claims 3 and 11 recite, in some variation, a plurality of continuous contents comprising digital data and

setting a start timing of said embedded digital watermark at said determined timing in second contents prior to said first contents. Independent claims 5 and 13, in some variation, recite: "a plurality of continuous contents comprising digital data, and a setting device for setting a second change timing of said digital watermark in said adjacent contents at said determined timing." Claim 17 recites: "contents comprising digital data and wherein an end timing of said embedded digital watermark in said contents is set before an end timing of said contents." Claim 19 recites: "plurality of continuous contents comprising digital data, and wherein a start timing of said embedded digital watermark for first contents is set in second contents prior t said first contents before a start timing of said first contents." Claim 21 recites: "a plurality of continuous contents comprising digital data, wherein a first change timing of said digital watermark in adjacent contents is set before a second change timing, where the second change timing is a timing at which the adjacent contents are switched to current contents."

The Examiner contends that Schwab discloses the unique features of these independent claims. Specifically, the Examiner contends that end of the video signal in Schwab discloses "an end timing of said contents." Further, the Examiner contends that end of trailing sequence (line 227 of Fig. 2 of Schwab) discloses determining a timing before an end timing of said contents (*see* page 3 of the Office Action). Applicant respectfully disagrees. Schwab fails to disclose or suggest a) contents being digital data, b) determining end timing of this content, and c) inserting a watermark.

Schwab relates to a bilateral anti-copying device for video systems. Specifically, Schwab discloses inserting a leading and trailing code sequences into the luminance portion of a video

signal. These code sequences are visually manifested as dropouts on a video monitor (*see* Abstract and col. 2, lines 8 to 36).

Schwab, however, discloses outputting a video signal which is analog and not digital data (claim 20, col. 6, lines 61 to 68). In other words, Schwab fails to disclose or suggest continuous contents comprising of digital data. In Schwab, the code sequences are inserted into the analog signal.

Furthermore, Schwab fails to disclose or suggest determining a timing before an end timing of said contents. In Schwab, leading and trailing sequences are inserted into the luminance portion of the video signal (col. 4, lines 37-39, and FIG. 2, FIG. 5a-5c). In Schwab, however, the luminance portion is not an end timing of the video signal. In Schwab, if a leading digital code sequence is inserted in the line 227, a corresponding trailing digital code sequence is inserted in line 490 (Fig. 2; col. 4, lines 37 to 45). That is, in Schwab, the line 227 of Fig. 2 is simply a position for inserting a leading sequence and not a timing such as an end timing of the trailing sequence. In short, Schwab does not disclose or suggest determining a timing before an end timing of said video signal.

In addition, Schwab fails to disclose or suggest a watermark as set forth in these independent claims. In Schwab, the leading and trailing digital code sequences are not watermarks. Each code sequence in Schwab will distort the video information in the particular line in which the sequence is inserted. The distortion appears as a dropout (col. 4, lines 45 to 50). That is, the leading and trailing digital code sequences of Schwab do not disclose or suggest a watermark at least because they visually affect the contents of the video signal.

In short, Schwab does not disclose or suggest a plurality of continuous digital contents, determining a timing before an end timing of the contents, and having an embedded watermark. For at least these exemplary reasons, claims 1, 3, 5, 9, 11, 13, 17, 19, and 21 patentably distinguish from Schwab. Therefore, Applicant respectfully requests the Examiner to withdraw this rejection of claims 1, 3, 5, 9, 11, 13, 17, 19, and 21 and their dependent claims 2, 4, 7, 8, 10, 12, 15, 16, 18, and 20.

IV. Claim Rejections under 35 U.S.C. § 103

The Examiner rejected claims 6, 14, 22, and 25-27 under 35 U.S.C. § 103(a) as being obvious over Schwab in view of European Patent No. 1,006,722 A2 to Yoshiura et al. (hereinafter Yoshiura). Applicant respectfully traverses these grounds of rejection in view of the following comments.

Claims 6, 14, 22, and 25-27 depend on claims 5, 13, 21, 1, 9, and 17, respectively. Applicant has already demonstrated that Schwab does not meet all the requirements of the independent claims 5, 13, 21, 1, 9, and 17. Yoshiura fails to cure the deficient disclosure of Schwab. Together, the combined teachings of these references would not have (and could not have) led the artisan of ordinary skill to have achieved the subject matter of claims 5, 13, 21, 1, 9, and 17. Since claims 6, 14, 22, and 25-27 depend on claims 5, 13, 21, 1, 9, and 17, respectively, they are patentable at least by virtue of their dependency.

V. New Claims

In order to provide more varied protections, Applicant adds claims 28 and 29, which are patentable at least by virtue of their dependency on claim 3.

VI. Conclusion

In view of the above, reconsideration and allowance of this application are now believed to be in order, and such actions are hereby solicited. If any points remain in issue which the Examiner feels may be best resolved through a personal or telephone interview, the Examiner is kindly invited to contact the undersigned attorney at the telephone number listed below.

The USPTO is directed and authorized to charge all required fees, except for the Issue Fee and the Publication Fee, to Deposit Account No. 19-4880. Please also credit any overpayments to said Deposit Account.

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